

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON

Case Name: GIGA WATT, INC.Case Number: 18-03197

**APPLICATION FOR AWARD OF COMPENSATION FOR SERVICES RENDERED  
AND REIMBURSEMENT OF EXPENSES PURSUANT TO 11 USC 330, AND FOR  
APPROVAL OF THE PAYMENT OF BANK FEES**

Name of Applicant: MARK D. WALDRONPosition of Applicant: CHAPTER 11 TRUSTEEApplication Number: TWO (2)☒ Interim ☐ Final

The undersigned applicant applies to the court for an award or allowance of compensation for services rendered and for reimbursement of expenses incurred in the above entitled case pursuant to 11 USC 330 (or USC 331 if an interim application), and for approval of the payment of bank fees pursuant to sections 363 and 503(b). This application is supported by the following information and attached documents.

I. (If applicant is employee of trustee, debtor in possession or creditors committee)

Date of Entry of Order Approving Employment: Trustee appointed 1/23/2019 (Docket #146)II. Dates Covered by this Application: 10/1/2019 to 6/30/2020

III. The name, position, hourly rate, total time spent and amount requested for all compensation for services rendered by each person covered by this application, in connection with this case, is as follows (if this is the **FIRST** Application, include **ALL** time and amounts, both pre- and post-petition in this Application):

Name	Position	Hourly Rate	Total Time	Amount Requested
Mark D. Waldron	Chapter 11 Trustee	\$ N/A	N/A	\$ 65,576.49
		\$		\$ 0.00
		\$		\$ 0.00
		\$		\$ 0.00
		\$		\$ 0.00
		\$		\$ 0.00
<b>Totals</b>			0.00	\$ 65,576.49

IV. Total amount of REIMBURSEMENT of expenses requested by this application in connection with this case [if this is the **FIRST** Application, include **ALL** costs (including filing fees), both pre- and post-petition]:

\$ 0.00

V. Total of Compensation and Reimbursement requested:

\$ 65,576.49

VI. *(If applicant is a trustee)* The maximum amount of compensation allowable under 11 USC 326(a) is: \$ 65,576.49.

VII. *(If applicant is an employee of trustee, debtor in possession or creditors committee).* All compensation for services rendered and reimbursement of expenses incurred for which award is sought were necessary to the administration of the case, beneficial to the estate, and does not include any unnecessary duplication of services.

☐ Yes ☐ No ☒ N/A *(If answer is NO, attach an explanation.)*

VIII. *(If applicant is the attorney for the debtor)* All compensation for services rendered and reimbursement for expenses incurred for which award is sought for representing the interests of the debtor(s) were necessary and beneficial to the debtor(s) in connection with the case.

☐ Yes ☐ No ☒ N/A *(If answer is NO, attach an explanation.)*

IX. Compensation or reimbursement previously received has been shared with another entity, or an agreement or understanding exists between the applicant and any other entity for sharing of compensation received or to be received for services rendered in or in connection with this case, except as a member or regular associate of a firm of lawyers.

☐ Yes ☒ No *(If answer is YES, attach an explanation.)*

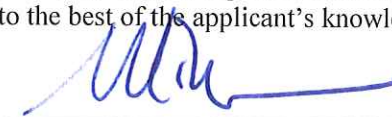
X. Attached to this application, and made part of this application are the following supporting documents:

- a. ☒ Statement of Money or Property Received or Promised Other than by Applicant *(required in all cases, LF 2016A)*;
- b. ☒ Summary Supporting Application for Compensation for Services or Reimbursement of Expenses *(required in all cases, LF 2016B)*;
- c. ☒ ~~Itemization of Services Rendered~~ *(required; itemization must be by project category if cumulative compensation exceeds \$10,000)*; **Calculation of Trustee fees attached.**
- d. ☒ Itemization of Expenses *(required)*; and
- e. ☒ Narrative Summary *(required if cumulative compensation exceeds \$10,000, LF 2016C)*.

XI. Bank Fees: \$ 0.00

The undersigned Applicant states under penalty of perjury that the representations contained in this application and attachments are true and correct to the best of the applicant's knowledge and belief.

DATED: July 9, 2020

  
*(Signature of Applicant)*

Name: Mark D. Waldron  
Position: Chapter 11 Trustee  
Address: 6711 Regents Blvd W #B, Tacoma, WA  
Phone: 253-565-5800  
Fax: N/A  
Email: mark@mwaldronlaw.com

Case Number: 18-03197



UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON

Case Name: GIGA WATT, INC.

Case Number: 18-03197

**SUMMARY SUPPORTING APPLICATION FOR COMPENSATION FOR  
SERVICES OR REIMBURSEMENT OF EXPENSES**

Name of Applicant: MARK D. WALDRON

Position of Applicant: CHAPTER 11 TRUSTEE

Application Number: TWO (2)

Sequential #		Applied for	Awarded	Received
A Receipts other than by Application (Transfer from (b) of Application LF 2016A)	<b>Date Compensation Expenses</b>			\$ _____ \$ _____
Prior Application # <u>1</u>	<b>Date Compensation Expenses</b>	<u>10/08/2019</u> \$ <u>95,244.26</u> \$ <u>5,235.80</u>	<u>11/20/2019</u> \$ <u>95,244.26</u> \$ <u>5,235.80</u>	<u>See monthly rpts</u> \$ <u>57,146.56</u> \$ <u>5,235.80</u>
Prior Application # _____	<b>Date Compensation Expenses</b>	\$ _____ \$ _____	\$ _____ \$ _____	\$ _____ \$ _____
Prior Application # _____	<b>Date Compensation Expenses</b>	\$ _____ \$ _____	\$ _____ \$ _____	\$ _____ \$ _____
Present Application (Transfer totals from III & IV of Application) # <u>2</u>	<b>Date Compensation Expenses</b>	\$ <u>65,576.49</u> \$ _____		
<b>Totals</b>	<b>Compensation Expenses</b>	\$ <u>160,820.75</u> \$ <u>5,235.80</u>	\$ <u>95,244.26</u> \$ <u>5,235.80</u>	\$ <u>57,146.56</u> \$ <u>5,235.80</u>
B	<b>Total Comp. + Exp.</b>	\$ <u>166,056.55</u>	\$ <u>100,480.06</u>	\$ <u>62,382.36</u>

**This Application #2 is a request for compensation of \$65,576.49. By separate motion, Trustee is also requesting authority to disburse \$38,097.70 in previously awarded but unpaid compensation, for a total request of \$103,674.19.**

SUMMARY SUPPORTING APPLICATION FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES

**GIGA WATT, INC. CHAPTER 11  
CALCULATION FOR MARK WALDRON'S TRUSTEE FEES  
PURSUANT TO 11 USC §326(a)**

Total disbursements in this proceeding have exceeded \$1,000,000.00. Pursuant to 11 USC §326(a), Trustee fees are calculated at 3% of disbursements. The total disbursements for the period 10/1/2019 through 6/30/2020 were \$2,185,883.22, as shown on the attached Operating Statement. The Trustee fees for this period are calculated as follows:

$$3\% \times \$2,185,883.22 = \$65,576.49$$

**GIGA WATT INC. (18-03197-FPC11)****Operating Statement**

Period: 10/01/19 - 06/30/20

**Income**

4001-000 Revenue from Operating Business	\$1,854,422.31
4002-00 Rents	\$63,000.00
4004-000 Tax Refunds	\$1,429.01
4007-000 Liquidation of Personal Property	\$384,577.37
4099-000 Other Receipts	\$209,763.36

**Total Income**

---

**\$2,513,192.05****Expenses**

6001-000 US Trustee Fees	\$22,632.92
6002-000 Trustee Fees & Expenses	\$65,384.24
6003-000 Admin. Rent	\$1,222,949.75
6004-000 Costs to Secure/Maintain Property	\$232,155.12
6006-002 Taxes - State	\$33,649.44
6007-000 Professional Fees & Expenses	\$299,912.05
6010-000 Other Expenses	\$309,199.70

**Total Expenses**

---

**\$2,185,883.22****Net Income**

---

**\$327,308.83**

---

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON

Case Name: GIGA WATT, INC.Case Number: 18-03197

NARRATIVE SUMMARY (Required by  
LBR 2016-1(b)(1)(A) where requested  
compensation exceeds \$10,000.00)

Name of Applicant: MARK D. WALDRONPosition of Applicant: CHAPTER 11 TRUSTEEApplication Number: Two (2)

## I. Background of the Case:

Debtor is a crypto-currency mining operation. The Trustee was appointed on January 23, 2019 on the motion of the Unsecured Creditors Committee. The petition was inaccurate and failed to disclose a substantial amount of information and transfers. Most financial records did not exist or were concealed. At the time of Trustee's appointment, operations were defunct and Debtor's facilities were in disarray. Following Trustee's appointment, Debtor opened two facilities (Moses Lake and TNT). The TNT facility has now been sold and the Moses Lake facility has been shut down due to market conditions / power rate increases.

## II. Financial Condition of the Estate:

- A. Profit and Loss: \$327,308.83
- B. Amount of Cash on Hand or on Deposit: \$398,580.06
- C. Amount of Accrued Unpaid Administrative Expenses: Unknown, but est. \$1million  
(professional fees)
- D. Amount of Unencumbered Funds in the Estate: \$398,580.06

## III. Status of the Case:

Trustee continues to market an unencumbered condominium in Grant County, which has current list price of \$365,000. The condo has been on the market for approximately 75 days and has garnered six showings and two offers of \$250,000 (including a counter-offer increase to \$275,000). No sale agreement has been executed.

Trustee is investigating Initial Coin Offering (ICO) and contract termination by Douglas County PUD.

Trustee is negotiating a resolution with Moses Lake landlords and Eco Diversified Holdings.



IV. Description of Tasks or Projects for which Compensation is Sought:

The requested compensation is purely statutory based on 11 USC §330, however Trustee offers information so that the Court and creditors are aware that a substantial amount of time has been required and dedicated to this case. Trustee and his paralegal have worked on this case every day since Trustee's appointment 17 months ago, including the Trustee having conference calls in the evenings and on weekends until the Moses Lake facility was shut down and the TNT facility was sold. Projects during this time period included participating in mediation and settlement of an adversary proceeding against David Carlson; employment of a realtor and marketing of the condominium obtained in the Carlson settlement; sale of Pangborn equipment; sale of two vehicles; sale of TNT facility and trailer equipment; stipulation with the Port of Douglas County for clean-up of Pangborn and eventual settlement with the Port of Douglas County. Trustee also responded to various motions during this time period: Unsecured Creditors Committee's (UCC) motion to file an adversary proceeding against Douglas County PUD; motion by WTT Token Holders for award of administrative expense; UCC Disclosure Statement filing; motion to employ special counsel (Beveridge & Diamond); Allrise's motions for administrative expense and abandonment; Port of Douglas County motion relief from stay and abandonment (Pangborn); motion for reconsideration (and subsequent appeal) of the TNT sale by Jun Dam, adversary proceeding filed by Jun Dam. Eight hearings have been held during this time period. Trustee has also filed all Monthly Operating Statements during this time period.

V. If a Chapter 11 Case:

A. Status of the Plan and Disclosure Statement:

B. Status of Submission of Monthly Operating Statements:

The Trustee is current on filing all Monthly Operating Statements.

C. Payment of Quarterly U.S. Trustee Fees: All Quarterly U.S. Trustee Fees have been paid through 2nd Quarter 2020 (in the total amount of \$41,405.15.

VI. Other Information:

All tax returns have been timely filed and any and all taxes due have been paid.

Following shutdown of Moses Lake and sale of the TNT facility, all Giga Watt personnel were immediately terminated.